

Table of Contents

wholly-owned entity in Poland named *Polcard*, which we acquired in 2007. In the Middle East and Africa, we have established a footprint in the United Arab Emirates, Saudi Arabia, Qatar, Egypt, and we recently launched our acquiring business in South Africa.

We believe our EMEA business will continue to benefit from several industry and regulatory trends. We believe the shift to electronic payments will continue to drive growth in the region, particularly as more commerce moves online and businesses and financial institutions in Central and Eastern Europe and the Middle East and Africa continue to develop and mature. Similar to the United States and Canada, we believe the penetration of new industry verticals, small businesses, online and mobile commerce, prepaid products, and commercial transactions will continue to drive core growth in the region, while the adoption of more advanced commerce-enabling solutions, such as IPOS, business management software apps, and data and analytics solutions, will fuel a second wave of growth among more established businesses.

In the European Union, we believe there are also several regulatory initiatives which could help drive new growth opportunities for First Data. We believe the implementation of the E.U. *Regulation on Multilateral Interchange Fees*, which caps interchange fees at 30 basis points for credit transactions and 20 basis points for debit transactions, could help incentivize more businesses, particularly smaller ones, to accept electronic payments and adopt complementary commerce-enabling solutions. Since the European Union also has a proportionally high use of debit cards, we believe this regulation could also drive financial institutions to seek new sources of revenue through the issuance of new payment products, technology innovation and the adoption of other commerce-enabling solutions, which we are well positioned to help them achieve.

We believe the implementation of the E.U. *Revised Directive on Payment Services* (PSD2) will also provide a new catalyst for growth. This regulatory initiative expands on prior efforts to open and harmonize the European payments industry and allows non-bank entities to offer certain payment services, including issuing and merchant acquiring, across all E.U. countries through a single payment institution license. We have obtained this license and believe it will help us pursue new expansion opportunities and drive incremental growth across the region.

Latin America

The Latin America region accounted for \$235 million of revenue and \$46 million of EBITDA in 2014 (excluding NSS). We have operations in 8 countries and serve clients in 32 countries in this region. We are a leading merchant acquirer, issuer processor, and eCommerce processor to businesses and financial institutions of all sizes and types in the region and have begun to introduce other commerce-enabling solutions in selected markets. We entered LATAM in 2001 in Puerto Rico. Since then, we have expanded First Data's services and now conduct business in Argentina, Brazil, Colombia, Panama, Mexico, Uruguay, Central America, and the Caribbean.

In Brazil, we opened an office in 2002 and primarily provided issuer processing services through the licensing of our *VisionPLUS* solution to large local banks. Over the past few years, we made significant investments in our personnel, infrastructure, and technology in Brazil and launched our first merchant acquiring business in 2014 called *Bin*. We are building our distribution capabilities through partnerships with banks and non-bank partners to penetrate the market, and we plan to launch our *Clover* operating system, eCommerce services, and other commerce-enabling solutions in 2015 and 2016.

In Mexico, First Data established a revenue sharing alliance with Scotiabank in 2003 named *ScotiaPOS* to provide merchant acquiring services across the country. Since then, the base of business clients and their billings have grown double digits and expanded acceptance in segments such as Education and Health. *ScotiaPOS* will continue to grow its merchant base by cross-selling products to current bank clients and expanding to new sales channels to penetrate segments with low card acceptance.